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2015 CAPITAL BUDGET BRIEFING NOTE

Bike Share Capital Funding

Background:

The Budget Committee, at its meeting of February 4, 2015, in considering Item BU4.3, requested the Toronto Parking Authority, in consultation with the General Manager, Transportation Services, to submit a Budget Briefing Note responding to the following:

- 1) Bike Share Capital Funding Plan for 2015, including where funding will be spent, and what partnerships will be leveraged to increase the investments; and
- 2) How much additional and/or sponsorship funding is required to double Bike Share program?

Issue:

The Toronto program was launched on May 3, 2011 with the introduction of 1,000 bicycles, 1,500 bike docks and 80 stations in the City's downtown area. The bike share program has been very successful in terms of use by the public since its launch and has now become an important part of the transportation mix in the downtown core.

Plans have always been to expand the system once established but these plans were delayed over the short term due to the following issues:

- i. Operational and financial difficulties which lead to the bankruptcy of PBSC (the parent company of BIXI Toronto Inc.) in January 2014
- ii. The need to secure a sponsor such that the system is operationally self-sustaining; and,
- iii. The uncertainty around the strength of an appropriate supply chain for future orders.

The first two issues have been successfully addressed and the third issue is now being addressed. The challenge remains identifying a robust, technologically advanced system that will integrate seamlessly with the existing system or replace the existing system with one that provides the best solution for Toronto moving forward. Either scenario must be backed by a well-capitalized company, be a proven innovator committed to the long term and be financially viable.

Key Points:

The 2015 Staff Recommended Capital Budget for Transportations Services includes the following allowances for bike share system expansion.

Figure 1: Bike Share, Transportation Services Capital Budget		2015
1.	22 new stations (no bikes) for PanAm Games and 751 King Street West	<u>\$717,000</u>
	Funded from:	
	Major Special Events Reserve Fund (XR1218)	\$667,000
	Section 45, 751 King Street West	\$50,000
2.	Up to 30 new stations and bicycles – locations and numbers to be determined by Feasibility Study (completed by June 2015)	<u>\$1,200,000</u>
	Funded from:	
	Bikeline funding received from Metrolinx for cycling infrastructure - Move Ontario 2020 Reserve Fund (XR3025)	\$1,200,000
Total		\$1,917,000

In addition to the above, the 2015 Staff Recommended Transportation Services Capital Budget includes a provision of \$70,000 (Cycling Infrastructure Project) for the state of good repair maintenance of the Bike Share program assets.

Questions & Answers:

- **Bike Share capital funding for 2015: what partnerships can we leverage for more funding?**

Bike Share capital funding for 2015 expansion (\$1,917,000) is contained in Figure 1 above. Future sources of capital funding for expansion may include private developers/investors, operator investment (old Alta, now called Motivate) and public transportation agencies.

Council has approved Section 37 and 45 contributions from several developments within the future Bike Share service area and these funding commitments will be available for expansion when the have payments have been received by the City.

- **How much additional and or sponsorship funding is required to double Bike Share program?**

The bike share system is currently comprised of 80 stations, 1,000 bikes and almost 1,500 docks. Depending on the system selected, a capital investment of between \$4.0 million and \$5.0 million is required to double the size of the existing system.

The TD sponsorship program announced late last year is a 2 year program that essentially ensures the operations of the existing bike share system are self-sustaining. We would envision an expansion of the existing sponsorship program or a new sponsorship program which would, at a minimum, fund any operational deficiencies resulting from an expansion of the system. The increased critical mass resulting from an expansion of the program should provide operational efficiencies and reduce the overall operational deficits present with the existing system size.

- **When will station locations for 2015 expansion be confirmed?**

The 22 Pan Am-related locations will be confirmed by May 2015. The proposed addition of up to 30 stations will be determined by the Feasibility Study which will be completed by July 2015.

- **What is the status of proposed \$450,000 in Section 37 and 45 funding from developments in Wards 18, 20 and 21 – if it has been secured can it be added to the 2015 budget?**

The Councillors from Wards 19, 20 and 21 proposed to fund 50% of the capital requirements (i.e. \$150,000 from each Ward for a total of \$450,000) to add approximately 18 stations to the system network within their Wards. This expansion would provide sufficient stations to grow the system in a prudent manner up to St Clair Avenue. The proposed funding would come from a mix of Section 37 and Section 45 funding as directed by the Councillors in each ward. This \$450,000 was not included in the Transportation Services 2015 Recommended Capital Budget because the funds had not been secured by the City at the time. We are planning to proceed with the purchase and installation of these stations in 2016.

- **What will happen to the 22 Pan Am station locations after the games – will any of them be moved to other wards?**

The new Pan Am-related stations will primarily expand the existing service area further east and west to extend service near the Athlete's Village and Pan Am Park (Exhibition grounds). It is anticipated that these new locations will be permanent locations and will not be moved after the games.

- **What are TPA's and Transportation Services' roles in future expansion?**

TPA is responsible for system operations and for planning and implementing an orderly and sustainable expansion plan. Transportation Services provides a supporting role in releasing reserve funds as required by the expansion plan and securing future station locations.

- **How will program expansion work in future and how to leverage Section 37 funds?**

Expansion plans have been delayed because TPA has been focused on resolving the impediments to expansions described in the Issue section above. TPA is close to resolving

the final issue; identifying a robust, technologically advanced system that will integrate seamlessly with the existing system or replace the existing system. TPA will expand the Bike Share system as funds are made available, through Section 37 and 45, and will continue to investigate external funding sources. Councillors are encouraged to continue to secure funding contributions from new developments in their Wards through Section 37 and 45.

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